

Minutes  
The Arkansas Local Police and Fire Retirement System  
Board of Trustees  
Investment Committee Meeting

The Arkansas Local Police and Fire Retirement System Investment Committee met on Tuesday, May 14, 2019 in the LOPFI office at 620 W. 3<sup>rd</sup>, Suite 200, Little Rock, Arkansas.

Members Present: Mayor Mike Gaskill, Employer Trustee, Chairman  
John Neal, Retired Fire Employee Trustee (teleconference)  
Andrew Branch, Public Trustee (teleconference)

Staff Present: David Clark, Executive Director  
Laura Nixon, Secretary to the Committee

Chairman Gaskill called the meeting to order at 9:30 a.m. and recognized a quorum and notification of the news media.

Investment Consultant report

Chairman Gaskill recognized Mr. Larry Middleton, Stephens Inc. Mr. Middleton gave a brief update and stated that as of close of business on May 13, 2019, the unaudited total portfolio value was \$2.242 billion.

Manager Interviews

Mr. Middleton made introductions and the Committee heard from the following asset managers:

Wellington Management Company: presented by Alexander Grant, Relationship Manager, and Kenneth J. Baumgartner, CFA, Investment Director. Mr. Grant stated that Wellington Management Company currently holds four (4) of the System's portfolios and are presenting the Wellington Management Enduring Assets Strategy. This strategy is a liquid infrastructure focusing on equity investments. Mr. Baumgartner presented the Wellington Management Enduring Assets Strategy. After responding to questions/comments from the Committee, Chairman Gaskill thanked Wellington Management Company for their presentation.

Snyder Capital Management, L.P.: presented by Amy P. Jeang, CFA, Client Relations, Marketing Director, and Peter Eisele, Chairman, CEO. Ms. Jeang provided introductory comments about Snyder Capital Management. Mr. Eisele presented the Snyder Capital Management Small Cap Value Strategy. The strategy focuses on investing with a long-term perspective in high-quality companies with low debt and free cash flow. After responding to questions/comments from the Committee, Chairman Gaskill thanked Snyder Capital Management for their presentation.

Loomis/Sayles: presented by John H. Meyer, CFA, CAIA, FRM, Vice President, and Kevin Kearns, Vice President, Portfolio Manager. Mr. Meyer provided introductory comments about Loomis/Sayles. Mr. Kearns presented the Credit Asset Strategy. This strategy seeks to capture risk premiums in markets that can offer the best risk-adjusted return potential over a full market cycle. After responding to questions/comments from the Committee, Chairman Gaskill thanked Loomis/Sayles for their presentation.

DoubleLine: presented by Christopher Von Bargen, Relationship Manager, and Phillip Barach, President, Co-Founder. Mr. Von Bargen provided introductory comments about DoubleLine. Mr. Barach presented the DoubleLine Total Return Strategy. The strategy seeks to achieve strong relative returns versus index funds while experiencing lower volatility. After responding to questions/comments from the Committee, Chairman Gaskill thanked DoubleLine for their presentation.

Mr. Middleton recommended the following actions:

- \$10 million additional allocation to existing manager GoldenTree due to the good performance of the portfolio. After discussion, Mr. Neal made a motion, seconded by Mr. Branch, to accept Mr. Middleton's recommendation.
- \$20 million to Snyder Capital Management Small Cap Value Strategy. After discussion, Mr. Branch made a motion, seconded by Mr. Neal, to accept Mr. Middleton's recommendation.
- \$20 million to Wellington Management Company Enduring Assets Strategy. After discussion, Mr. Neal made a motion, seconded by Mr. Branch, to accept Mr. Middleton's recommendation.
- Reduce allocations to existing manager PIMCO from \$195 million to \$150 million to broaden diversification; terminate services of existing manager Western Asset Management Company (WAMCO) Short Duration High Yield Fund due to the underperformance of the fund; terminate services of existing manager Aberdeen due to the underperformance of the fund, quality of service, and barrier in communications. After discussion, Mr. Neal made a motion, seconded by Mr. Branch, to accept Mr. Middleton's recommendations for these three (3) managers.
- \$100 million to DoubleLine Total Return Strategy; \$50 million to Loomis/Sayles Credit Asset Strategy. After discussion, Mr. Branch made a motion, seconded by Mr. Neal, to accept Mr. Middleton's recommendation for these two (2) managers.

The Committee adjourned at 11:05 a.m.

Respectfully submitted,

Approved 06/11/19

Laura Nixon,  
Recording Secretary for the Committee